



PUBLIC MEETING ANNOUNCEMENT

The BLM would like to invite you to a scoping meeting to help identify the range, or scope, of issues related to the Toquop Energy Project. The issues identified during the scoping process will be considered and addressed during preparation of the environmental impact statement. Please attend one of the following meetings:

Monday, March 20 Caliente Youth Center U.S. Highway 93 Caliente, Nevada	Tuesday, March 21 Mesquite City Hall 2nd Floor Council Chambers 10 E. Mesquite Blvd. Mesquite, Nevada	Wednesday, March 22 BLM-Conference Room 4701 N. Torrey Pines Dr. Las Vegas, Nevada	Thursday, March 23 Meadow Wood Courtyard 5851 S. Virginia Reno, Nevada
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All meetings will be held between 6 p.m. and 8 p.m. A brief presentation will occur at 6:30 p.m.

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Introduction

In April 2003, the Bureau of Land Management (BLM), Ely Field Office, issued a Final Environmental Impact Statement (EIS) for the Toquop Energy Project, proposed by Toquop Energy, Inc. (*Proposed Toquop Land Disposal Amendment to the Caliente Management Framework Plan and Final Environmental Impact Statement for the Toquop Energy Project, March 2003*). The project analyzed in the EIS was a 1,100-megawatt (MW) natural gas-fired electric power generation plant and associated facilities in Lincoln County in southern Nevada. Toquop Energy, Inc., proposed the project in order to generate electrical power at competitive costs for use by consumers and to address power demand increases due to population growth in the western United States.

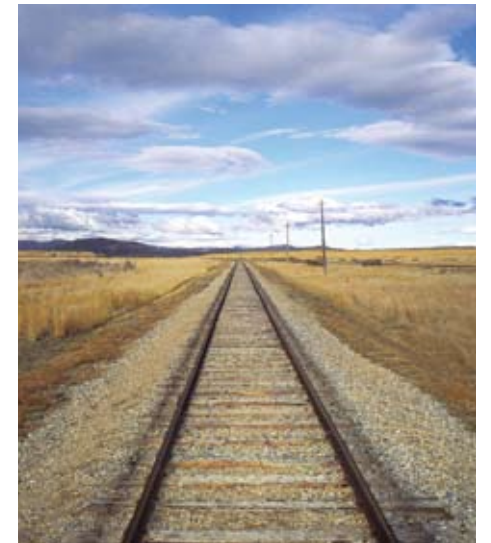
Since that time, natural gas prices have increased substantially. It is anticipated that they will remain volatile and may even increase due to increased demand and higher exploration and development costs. Moreover, newer technology has increased the efficiency of modern coal-fired plants that provide a more stable cost basis for power than that of natural gas. Today, Sithe Global Power, LLC (Sithe), a privately held,

independent power company, proposes to construct a 750-MW coal-fired power plant in the same location as the previously proposed natural gas-fired power plant.

The BLM has determined that although an EIS for the original gas-fired power plant was completed, the newly proposed coal-fired power plant has a number of components that are different from the previously proposed gas-fired technology. These differences warrant the preparation of a new EIS.

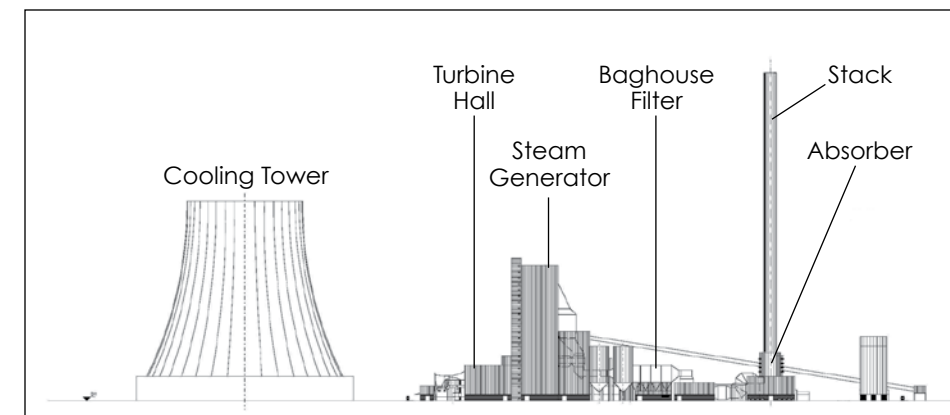
Purpose and Need

A new, state-of-the-art coal-fired plant would ensure the continued supply of energy to the region. The intended purpose is to generate electric power at a competitive price for use by consumers to serve the power demand growth in the western United States. The unpredictable and escalating price of natural gas make it less attractive as a fuel source than coal. Additionally, coal can be stored on site for several months, which protects against fuel supply disruptions, while natural gas has real potential for delivery disruptions, especially during times of high electricity demand.



More electric power is needed in this region. Rapid population growth in the Southwest, and the West in general, has resulted in an increased demand for electricity. The proposed plant would contribute to meeting the demand for power in the Western Electricity Coordinating Council (WECC) service area and more specifically would contribute to meeting the capacity and annual energy requirements for southern Nevada, Arizona, and New Mexico.

Additionally, opportunities for new employment and an increased tax base to Lincoln County would be provided by the proposed project. While public land makes up about 98 percent of Lincoln County, limiting opportunities for industrial and commercial development, the proposed power plant would provide both short- and long-term economic benefit. For example, it is estimated that approximately 800 workers would be employed during the four-year construction period and then approximately 110 people would be employed in permanent positions to operate and maintain the plant.



Anticipated Elevation

Location

The proposed Toquop Energy Project is located in southeastern Lincoln County in southern Nevada. The power-plant site is located on a 640-acre parcel near Toquop Wash, approximately 50 miles south-southeast of Caliente, Nevada and 12 miles north-west of Mesquite, Nevada (see map on next page). A new rail spur would be constructed to transport coal from the Union Pacific Railroad at or near Leith Siding to the plant site approximately 35 miles to the southeast.

Project Description

Sithe proposes to construct, operate, and maintain a 750-MW coal-fired power plant and associated facilities, including the new rail spur. The facilities at the power plant site would include a fuel-supply system; a single 750-MW generation unit; water intake structures, distribution pipelines, and evaporation ponds; a plant cooling system; power transmission interconnection facilities; and waste management operations. Approximately 2,500 acre-feet of water per year would be required for cooling and other plant operations. The water would be supplied by existing water rights that have been acquired for the project. The development of

the water supply and the water-supply pipeline was addressed in the previous EIS. To enable distribution of power to the southwestern United States, the Toquop Energy Project would interconnect with existing 345-kilovolt (kV) and 500kV transmission lines as previously studied.

The 2003 Final EIS analyzed and disclosed the potential impacts on the environment from the gas-fired power plant. That document analyzed the proposed site, approximately 14 miles of access road from Interstate 15 to the plant site, approximately 12 miles of buried water pipeline, and the associated pipeline access road. Information gathered for the previous EIS will be updated to reflect changes to date. The major differences include the following and will be addressed in the current EIS:

- The plant capacity would decrease from 1,100 MW to 750 MW.
- The proposed coal-fired power plant has a different and larger site plan than the previously addressed gas-fired plant to accommodate the coal and coal-handling facilities.
- A 35-mile-long rail spur would be constructed for transporting coal to the power plant site.

- Although recent advancements in air pollution control technology for coal-fired power plants have and continue to reduce emissions, emissions would differ from those studied for the gas-fired power plant and need to be addressed.

The EIS Process

The plant and associated features (access road, rail spur, utility corridors) would be on public land that is presently managed by the BLM; therefore, the project is considered a Federal action requiring review under and compliance with the National Environmental Policy Act of 1969 (NEPA). Under NEPA, actions such as the Toquop Energy Project must consider the potential effects on the environment including human, natural, and cultural resources.

The NEPA compliance process for the proposed project is anticipated to occur within a 12- to 15-month timeframe and consist of several steps as depicted in the flow chart below.

At this early stage in the process, BLM (the lead Federal agency) will identify the range or scope of public and agency issues through comments received in meetings and discussions with relevant agencies and the public.

Once the BLM has an understanding of the issues, the study team will begin to develop an inventory of resource information by gathering data representing human, natural, and cultural resources within the study area. Based on the description of the proposed project and any alternatives to be evaluated; issues identified; and inventoried resource data, the EIS team will comprehensively assess potential impacts and identify measures to mitigate, or reduce those impacts on the following resources:

Human Environment – land use, social and economic conditions, environmental justice, visual characteristics, noise

Natural Environment – air, geology, soils, water, vegetation, wildlife, special status species

Cultural Environment – prehistoric and historic archaeological sites, and traditional cultural lifeways and resources

Public Scoping

BLM fully understands the importance of involving the public and agencies in the process. A very important part of the process is to solicit the public and agencies for comments on the proposed project. At this early stage in the process BLM is encouraging comments from agencies and the public to identify issues and concerns that are important to the public in the region and that need to be addressed in the EIS. Further, these types of processes tend to evolve over time. It is through an exchange of ideas and development of common ground that the process responds most effectively to concerns and issues identified for the project.

The first opportunity for you to participate will be the upcoming public



scoping meetings. These public meetings are planned for Caliente, Mesquite, Las Vegas, and Reno, Nevada in March of 2006 as noted on the back of this newsletter. These meetings also will be announced in local newspapers and on the project website at www.toquopenergy.com. Comments can be submitted orally or in writing at the public meetings, through a link on the Toquop Energy Project EIS web page, or by mail.

The public meetings will begin with a brief presentation that will provide an overview of the project and EIS process, followed by an open house environment where questions can be asked or comments can be submitted.

Your thoughts, comments, and concerns are important to us throughout

the process, but especially right now at this early stage! Please attend one or more of the four scoping meetings and/or send us your written comments before the 30-day scoping period ends.

BLM will provide other opportunities throughout the process to discuss the status of the process, and BLM will ask you to review the Draft EIS, which will be released to the public for review for a 45-day period. During that 45-day period, BLM will conduct public hearings to accept comments on the draft document. Written comments also will be accepted during that time.

If you have questions, would like to be on the mailing list, or would like to speak to a project representative, please contact BLM Project Manager Bill Morrill at 775-225-8564.

